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6/11/02

Hearing:  
April 17, 2002

Paper No. 18  
ejs

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re Leslie A. Finkelstein

Serial No. 75/480,544

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Blumenfeld, Kaplan & Sandweiss, P.C. for Leslie A.  
Finkelstein.

Scott M. Oslick,<sup>1</sup> Trademark Examining Attorney, Law Office  
108 (David Shallant, Managing Attorney).

Before Seeherman, Walters and Drost, Administrative  
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Leslie A. Finkelstein has applied to register on the  
Principal Register DISCOUNT DECORATING OUTLET, in the form  
shown below, for "retail store services featuring home  
decorating supplies and accessories."<sup>2</sup> Although applicant

<sup>1</sup> This file was originally assigned to another Examining  
Attorney. Mr. Oslick took over the file during the course of  
examination.

<sup>2</sup> Application Serial No. 75/480,544, filed May 6, 1998,  
asserting first use on October 1, 1992 and first use in commerce  
on October 1, 1997.

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asserts that the mark is inherently distinctive, he has asserted in the alternative that the term has acquired distinctiveness as a mark and that it is therefore entitled to registration under the provisions of Section 2(f) of the Act.

**Discount *Decorating* Outlet**

Registration has been finally refused pursuant to Section 2(e)(1) of the Trademark Act, 15 U.S.C. 1052(e)(1), on the ground that applicant's claimed mark is merely descriptive of and is generic for the identified services and that, even if the mark were not generic, it is merely descriptive and applicant's evidence of acquired distinctiveness is insufficient to qualify the term for registration under Section 2(f) of the Trademark Act.

Applicant has appealed from the final refusal of registration. The appeal has been fully briefed, and an oral hearing was held before the Board.

Thus, there are three issues which we must consider:

- 1) Is DISCOUNT DECORATING OUTLET merely descriptive of the identified services?

2) Is DISCOUNT DECORATING OUTLET a generic term for the identified services?

3) If DISCOUNT DECORATING OUTLET is merely descriptive but not generic, has applicant demonstrated that the term has acquired distinctiveness as a mark for its identified services?

In support of his position, the Examining Attorney has submitted dictionary definitions<sup>3</sup> of the words in applicant's mark, as follows:

Discount: to deduct or subtract from a cost or price; to sell or offer for sale at a reduced price; to reduce in quantity or value

Decoration: the act, process, technique, or art of decorating; something used to decorate; an emblem of honor, such as a medal or badge

Outlet: a commercial market for goods or services; a store that sells the goods of a particular manufacturer or wholesaler

The Examining Attorney has also made of record a number of third-party registrations in which the words DECORATING or DISCOUNT or OUTLET have been disclaimed, thus indicating a recognition by those registrants of the descriptive nature of these words. See, for example, DECORATING CONCEPTS and design, with DECORATING CONCEPTS

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<sup>3</sup> The American Heritage Dictionary of the English Language, 3d ed. © 1992.

disclaimed<sup>4</sup>; INSIDEOUT DECORATING CENTER with DECORATING CENTER disclaimed<sup>5</sup>; TOBACCO JUNCTION DISCOUNT TOBACCO OUTLETS and design, with TOBACCO and DISCOUNT TOBACCO OUTLETS disclaimed<sup>6</sup>; MAGAZINE DISCOUNT OUTLET and design, with MAGAZINE DISCOUNT OUTLET disclaimed<sup>7</sup>; BILL WATSON'S DISCOUNT AUTO OUTLET and design, with DISCOUNT AUTO OUTLET disclaimed<sup>8</sup>; and ADW AMERICAN DISCOUNT WAREHOUSE with AMERICAN DISCOUNT WAREHOUSE disclaimed<sup>9</sup>.

Finally, the Examining Attorney has submitted excerpts of articles taken from the NEXIS database in which the term "discount outlet[s]" is used, including the following:

Most speakers called for the development of the Skyland Shopping Center on Alabama Avenue, which was described as a "second-rate" shopping facility and a "disjointed mix of fast food, low-end local discount outlets and convenience stores with no major retail tenants."

"The Washington Times," December 17, 2000

While discount outlets and drug stores have recently increased their shares in convenience food, they have been major players in snacks and candy for years.

"Business and Industry," November 13, 2000

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<sup>4</sup> Registration No. 2,057,151.

<sup>5</sup> Registration No. 2,043,860.

<sup>6</sup> Registration No. 2,011,968.

<sup>7</sup> Registration No. 2,098,347.

<sup>8</sup> Registration No. 2,113,848.

<sup>9</sup> Registration No. 2,307,405.

Xers also hunt for clothing for bargains at discount stores, spending more than 18 percent of their apparel dollars there." Among discount outlets, Wal-Mart is most popular with these consumers.

"Body Fashions Intimate Apparel,"  
November 2000

Nordstrom, which has two full-line stores in metro Atlanta and a discount outlet, also will take charges in its fiscal third quarter ending Oct. 31....  
"The Atlanta Journal and Constitution,"  
October 12, 2000

Others refer to Target as an "upscale discounter." The stores are designed to look like upscale department stores rather than discount outlets.

"Pittsburgh Post-Gazette," October 11,  
2000

ISR is located in a shopping center on Diagonal that also houses a St. Vincent DePaul discount outlet and a state liquor store.

"Lewiston Morning Tribune," October 8,  
2000

Retailers must strike a balance, analysts said, in locating discount outlets so that they are convenient to large numbers of consumers....

"The Dallas Morning News," October 7,  
2000

One of the articles submitted by the Examining Attorney is about applicant's company, although "discount decorating outlets" is not used as a trademark in the article:

Les Finkelstein Owner Sunshine Drapery  
& Window Fashions

"Sunshine Drapery Co., which includes one window fashions store and two discount decorating outlets, is 12 miles from the Missouri River in St. Louis, MO., a town that is totally devastated by the flood.

"HFD—The Weekly Home Furnishings Newspaper," August 30, 1993

We turn first to the question of whether the Examining Attorney has shown that the applied-for mark is merely descriptive of "retail store services featuring home decorating supplies and accessories." A mark is merely descriptive if it immediately conveys information concerning a quality, characteristic, function, ingredient, attribute or feature of a product or service. **In re Venture Lending Associates**, 226 USPQ 285, 286 (TTAB 1985). See also, **In re Gyulay**, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987). The question of whether a mark is merely descriptive is not decided in a vacuum but in relation to the goods on which, or the services in connection with which, it is used. **In re Abcor Development Corp.**, 588 F.2d 811, 200 USPQ 215 (CCPA 1978).

The NEXIS evidence shows that DISCOUNT OUTLET is a readily recognized term for a certain type of retail store, and the dictionary evidence, as well as applicant's own identification, shows that DECORATING is a term used to

refer to the kinds of supplies and accessories applicant sells in his stores, i.e., "home decorating supplies and accessories." When the terms are combined in the mark DISCOUNT DECORATING OUTLET and used for retail store services featuring home decorating supplies and accessories, consumers will readily understand that DISCOUNT DECORATING OUTLET refers to a discount store that sells goods for decorating. The rectangular background, and the typestyle in which DISCOUNT DECORATING OUTLET are shown, do nothing to obviate this descriptive significance.

Applicant argues that the term "decorating" is too general to be considered merely descriptive of applicant's services, pointing to definitions of "decorate" as "1. to add something to so as to make more attractive; adorn; ornament; 2. to plan and arrange the colors, furnishing, etc. of, 3. to paint or wallpaper and, 4. to give a medal, badge, or similar token of honor." Brief, p. 2, quoting Webster's New World Dictionary, 2d ed. 1970). Applicant contends that, because of the various meanings of the word "decorate," his mark could "suggest a place that sells party and holiday decorations, a business that sells discounted paint and wallpaper, or a discount interior decorating service...." Brief, pp. 2-3.

We are not persuaded by this argument. As we stated above, the question of descriptiveness must be decided in relation to the identified goods or services, and not in the abstract. Applicant's services are identified as "retail store services featuring home decorating supplies and accessories." Thus, they are not an interior decorating service, to use one of applicant's examples. But since applicant's advertisements show that his stores do sell discounted wallpaper, applicant's example that DISCOUNT DECORATING OUTLET suggests a business that sells discounted wallpaper in fact shows that the term is merely descriptive of such a retail store. When applicant's mark DISCOUNT DECORATING OUTLET and design is used in connection with the identified services, we find that it immediately conveys information as to the type of retail store services that applicant is offering, namely that applicant is operating a discount retail store which features home decorating supplies, and that it is an apt term to describe such services. Accordingly, we find that the mark is merely descriptive.

However, applicant has sought registration, in the alternative, pursuant to Section 2(f) of the Trademark Act, on the basis that his mark has acquired distinctiveness. Before considering this issue, we must determine whether

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DISCOUNT DECORATING OUTLET is generic for applicant's services, since a generic term may not be registered as a trademark.

The critical issue in genericness cases is whether members of the relevant public primarily use or understand the term sought to be protected to refer to the genus of goods or services in question. **H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc.**, 782 F.2d 987, 228 USPQ 528 (Fed. Cir. 1986). The burden is on the Patent and Trademark Office to make a substantial showing of genericness based on clear evidence of generic use. **In re Merrill Lynch, Pierce, Fenner, and Smith, Inc.**, 828 F.2d 1567, 4 USPQ2d 1141 (Fed. Cir. 1987).

It is the Examining Attorney's position that DISCOUNT DECORATING SERVICES is a generic term for applicant's services because DISCOUNT OUTLET refers to a specific type of retail store, and DECORATING refers to the nature of the goods offered by applicant's stores, and therefore immediately identifies a central feature of the applicant's services. We do not disagree with this portion of the Examining Attorney's argument. However, the Examining Attorney also asserts that DECORATING is generic as applied to the services. The evidence of record simply does not support the view that the term DECORATING per se is

generic. Nor can we find that the combination of the generic term DISCOUNT OUTLET, with the descriptive term DECORATING placed between DISCOUNT and OUTLET, is generic. As noted above, there is one newspaper article which does use the term "discount decorating outlets" in a generic manner in a reference to applicant's stores, but this single reference is not sufficient to meet the Office's burden of a substantial showing of genericness. Nor do the third-party registrations in which DISCOUNT OUTLET is disclaimed (e.g., MAGAZINE DISCOUNT OUTLET, DISCOUNT TOBACCO OUTLETS) clearly show genericness. The disclaimers indicate only that the owners of those registrations do not claim exclusive rights in those words; disclaimers may be offered for merely descriptive terms as well as generic terms.

We have no doubt that DECORATING DISCOUNT OUTLET is an apt term to use for a retail store featuring decorating supplies. However, as the Court made clear in **In re American Fertility Society**, 188 F.3d 1341, 51 USPQ2d 1832, 1836 (Fed. Cir. 1999), aptness is insufficient to prove genericness. It is not enough to "simply cite definitions and generic uses of the constituent uses of a mark..in lieu of conducting an inquiry into the meaning of the disputed phrase as a whole to hold a mark...generic."

Because we find that DISCOUNT DECORATING OUTLET is not generic, we proceed to the third question in this appeal, namely, whether applicant has submitted sufficient to demonstrate that his mark "has become distinctive of the applicant's goods in commerce." Section 2(f) of the Act. The greater the degree of descriptiveness a term has, the heavier the burden to prove it has acquired distinctiveness. **Yamaha International Corp. v. Hoshino Gakki Co. Ltd.**, 840 F.2d 1572, 6 USPQ2d 1001 (Fed. Cir. 1988). Because applicant's mark is highly descriptive of his services, to the extent of being an apt descriptive term for the services, the burden on applicant to prove acquired distinctiveness is accordingly high.

Applicant, in support of his claim of acquired distinctiveness, has asserted that he first used his mark, in intrastate commerce, in 1992; that applicant uses his mark in four establishments in the St. Louis metropolitan and surrounding areas, and uses his mark on building signs and promotional literature; and that he has advertised in newspapers, television and radio, many of which have appeared in interstate distribution. Applicant has variously stated that his newspaper advertising costs total "nearly \$23,000" (response filed April 6, 1999), and that his total annual advertising costs for the years 1995

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through 1999 ranged from \$129,517 to \$210,743, with \$216,250 expected to be spent in 2000 (declaration of Leslie Finkelstein). Applicant's declaration also states that he is the president and owner of Discount Decorating Outlet retail stores, and that Discount Decorating Outlet is in the business of retail store services featuring home decorating supplies and accessories. Applicant's declaration states that his customers include dealers and distributors "who sell these types of products," and that the gross profits for services provided through the DISCOUNT DECORATING OUTLET retail stores, as of the June 2000 date of his declaration, is over \$9 million. Applicant has also submitted copies of his newspaper advertisements and/or the invoices therefor, in the newspapers "St. Louis Post-Dispatch," "The Collinsville Journal" (St. Louis), "Independent-Journal" (St. Louis), "Belleville News Dem.," (Belleville, IL), "Mt Vernon Register" (Mt. Vernon, IL), "Salem Times Commoner" (Salem, IL) and "Riverfront Times" (St. Louis). The invoices are primarily from the years 1998 through 2000.

Applicant has also submitted over six hundred form declarations from customers and 12 form declarations<sup>10</sup> from dealers or distributors. In addition, applicant has stated that he has spent over \$270,000 on day-to-day business expenses.

We shall now examine applicant's evidence.

First, it should be noted that applicant's services are carried out in four stores located only in the metropolitan St. Louis area. Judging from the newspaper advertisements, and the dates of use provided by applicant, applicant did not render any services in interstate commerce until October 1997.<sup>11</sup> Section 2(f) of the Trademark Act requires that the mark for which registration is sought to have become distinctive of the applicant's goods in commerce, i.e., commerce which can be controlled by Congress.

With respect to applicant's business expenses, applicant has supplied copies of the checks written on the accounts of "Discount Decorating Outlet of Sunset Hills,

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<sup>10</sup> Applicant has stated that he submitted twenty such declarations, but only twelve are in the file. Whether the number is twelve or twenty would not change our decision herein.

<sup>11</sup> At the oral argument applicant stated that his first store in Illinois was opened on December 29, 1996. Even if we accept this date, rather than October 1, 1997, as the date of first use in interstate commerce, a 10-month earlier use of the mark in commerce would not change our decision herein.

Inc." and of "Sunshine Drapery Co. dba Discount Decorating Outlet" in March 2000. These checks include such payees as Eisenhart Wallcovering, Dominion Freight Lines, Sunshine Drapery, First USA Bank, St. Louis County Water, Gibson Printing, Inc., The Daily Journal and Chase Platinum Visa. Applicant argues that these expenditures "indicate Applicant's attempt to establish a market for its [sic] product through the use of DISCOUNT DECORATING OUTLET and Design." Brief, p. 6. Aside from the fact that applicant is seeking to register his mark for services, not products, applicant's ordinary business expenditures do not necessarily result in the term DISCOUNT DECORATING OUTLET acquiring distinctiveness. There must be a connection between the expenditures and the public's recognition of the term as a mark, and we fail to see how applicant's payments of, for example, his water bill or shipping costs or payments to his other business (Sunshine Drapery) establish such a connection.

Similarly, applicant's gross profits of over \$9 million do not show that DISCOUNT DECORATING OUTLET has acquired distinctiveness as a mark for applicant's retail store services. In general, sales of products may show only the popularity of the products, not recognition of the mark under which they are sold. But in this case,

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applicant's sales of products in his stores do not necessarily translate into recognition of DISCOUNT DECORATING OUTLET as a mark for his retail store services.

This brings us to consideration of the declarations. Although at first blush over 600 consumer declarations appears to be significant evidence of acquired distinctiveness, upon closer examination their probative value is limited. The "declarations" are all identical, and are not actually declarations at all, but are in the form of a letter to the Assistant Commissioner for Trademarks and which states the following:

I have been a customer of Leslie Finkelstein's retail stores for (blank) months/years and have from them purchased various products, particularly home decorating supplies and accessories, from his retail stores which bear the name DISCOUNT DECORATING OUTLET.

I regard this name as identifying the services and products of Leslie Finkelstein only and not of any other person or company providing similar retail store services.

The only information supplied by the letter writer is the date, the number of years he or she has been a customer, and a signature and printed version of his or her name.

It is not clear to us whether the letter writers fully understood the import of the form statement, or indeed, how closely these forms were read before signing, as information such as the date or the months/years or an indication as to whether the signer means months or years is missing on some, while others have information which is inconsistent with the statements made in the letter. For example, two letters state that the signers have been customers of applicant's retail stores for twenty years, although applicant first began using the mark less than eight years before the letters were signed. It also appears from the names on the declarations that entire families visiting applicant's stores signed separate letters. Moreover, there is no indication as to whether these declarants are from the immediate area in metropolitan St. Louis in which applicant's stores are located, or are located in different states, such that applicant's mark can be said to be distinctive of the applicant's services in commerce.

As for the "declarations" from dealers/distributors, these too are not actually declarations, but are form statements written by each company as a letter to the Assistant Commissioner for Trademarks on the particular company's letterhead. The text of these letters follows:

We are dealers in the home decorating supplies and accessories industry. In the course of our business, we have had occasion to become familiar with many home decorating supply retailers and are familiar with Leslie Finkelstein's stores trademarked DISCOUNT DECORATING OUTLET.

It is our understanding that the mark DISCOUNT DECORATING OUTLET on such retail stores indicates stores owned by Leslie Finkelstein and not by any other person or company. I am not aware of any other company using DISCOUNT DECORATING OUTLET as a trademark or as a name describing any product or service.

It is our understanding that the mark DISCOUNT DECORATING OUTLET has acquired in the trade the meaning of the retail stores featuring home decorating supplies and accessories owned by Leslie Finkelstein alone.

Many of my customers ask about the DISCOUNT DECORATING OUTLET stores and expect that all stores marked with the DISCOUNT DECORATING OUTLET name will come from the same source and be of equal quality.

We find these letters to be of limited probative value, too. It is not clear to us that the dealers and distributors who signed these letters completely understood what they were signing. In particular, the last paragraph seems to be at odds with the facts in the record of this appeal. This paragraph states that "many of my customers ask about the DISCOUNT DECORATING OUTLET stores." However,

there is no information in this record to show how customers of dealers or distributors in Chicago; Cleveland; Longwood, Florida; Hopkins, Minnesota; Charlotte, North Carolina; Albertville, Alabama; Chino, California; or Upper Marlboro, Maryland would be aware of four retail stores located only in metropolitan St. Louis.

Finally, we turn to the evidence of applicant's advertising. We have some question about applicant's statement that his newspaper advertising costs total "nearly \$23,000" and that he has spent close to \$1 million promoting and advertising his mark. This would indicate that his advertising costs for radio, television and other promotions have amounted to nearly \$1 million. However, it is applicant's newspaper advertising that he has concentrated on in his submissions, presenting over 100 invoices for newspaper ads. He has not discussed the nature of his television or radio advertising in his declaration, and in the numerous advertising exhibits he has provided, there are only three invoices regarding television advertising (co-op advertising claim forms), and these refer to stations but give no indication as to the nature of the commercials or the times they were run.

Moreover, the invoices that applicant has submitted with his declaration indicate totals of well over \$23,000

just for newspaper advertisements. Accordingly, we consider the reference to "nearly \$23,000" in newspaper advertising expenditures to be in error, and we assume that the majority of the over \$1 million spent in advertising and promotion to be for newspaper advertising.

Even if we do not differentiate between newspaper and other media advertising, applicant's declaration indicates that much of his expenditures were made before he began using his mark in interstate commerce in October 1997 (or December 29, 1996). It is not clear how much of his advertising reached across state lines, such that it shows acquired distinctiveness of the mark in commerce. In any event, the total amount of applicant's promotional expenditures, averaging \$167,000 per year over a six-year period, is not sufficient for us to find that so highly descriptive a term as DECORATING DISCOUNT OUTLET, shown on a rectangular background, has acquired distinctiveness as a trademark.

After considering all of applicant's evidence, we find that applicant has not met his burden of demonstrating that DECORATING DISCOUNT OUTLET and design is entitled to registration under the provisions of Section 2(f) of the Trademark Act.

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Decision: The refusal of registration on the ground that applicant's mark is generic is reversed; the refusal of registration on the ground that applicant's mark is merely descriptive of the identified services and has not acquired distinctiveness as a mark is affirmed.